

**IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF PUERTO RICO**

CONDADO 3 CFL, LLC

Plaintiff,

vs.

ESTEBAN DIAZ VEGA, HILDRED MATTEI  
a/k/a HILDRED MATTEI FRANCESCHINI  
AND THE CONJUGAL PARTNERSHIP  
CONSTITUTED THEREIN,

Defendants.

CIVIL NO. 19-2039 (SCC)

RE: FORECLOSURE OF MORTGAGE  
IN-REM

**STIPULATION, SETTLEMENT AND RELEASE AGREEMENT**

**TO THE HONORABLE COURT:**

COME NOW, plaintiff, Condado 3 CFL, LLC (“Condado 3 CFL”) and defendants, Esteban Diaz Vega and Hildred Mattei Franceschini and the Conjugal Partnership Constituted therein, ("Defendants"), by and through their corresponding undersigned counsels and, very respectfully, state and stipulate as follows:

1. Condado 3 CFL filed the complaint object of the instant case for the *IN REM* Foreclosure of Mortgage, (“**Complaint**”), regarding a Mortgage note payable to Banco Popular de Puerto Rico, or to its order, for the principal amount of ***One Hundred Fifty-Seven Thousand Dollars (\$157,000.00)*** with interest at the rate of 11.50% per annum, secured by a first mortgage constituted by deed number 9, executed in Guayanilla, Puerto Rico on the same date, before Notary Public Emilio A. Vila Carreras.

2. The mortgage described above, which was pledged to plaintiff to secure the amounts claimed under these proceedings, was executed upon the following property, which is described in the Spanish language as follows:

---**RUSTICA:** Predio de terreno radicado en el Barrio Almacigo Bajo del término municipal de Yauco, Puerto Rico, con una cabida superficial de ocho mil cuatrocientos cuarenta y siete punto noventa y nueve cero cuatro (8447.9904) metros cuadrados. En lindes por el NORTE, con terrenos propiedad de Antonio Hernandez Ramos; por el SUR, con la parcela "B" dedicada a uso público; por el ESTE, con Emill Pietri y Gabriel Pérez Oliveras; y por el OESTE, con la Sucesión de Alejandro Hernández.-----

---Consta inscrita al folio doscientos cincuenta y dos (252) del tomo trescientos cincuenta y cuatro (354) de Yauco, Finca número doce mil ochocientos sesenta y nueve (12,869). Registro de la Propiedad de Ponce, Sección II.-----

3. Condado 3 CFL is at present the owner and holder of the note and mortgage deed, which is duly recorded in the Registry of Property at page 7 of volume 512 of Yauco.

4. Defendants Esteban Diaz Vega and Hildred Mattei a/k/a Hildred Mattei Franceschini are the owners of the mortgaged property according to the Registry of Property and plaintiff's best knowledge and belief and are included in the instant proceedings solely in their capacity as owners of the property, considering the mortgaged property was abandoned by the Trustee and defendants discharged from the debt under bankruptcy case number 06-05255 (BKT).

5. The debt, secured by the mortgaged property, has not been satisfied. Therefore, as of October 29, 2018, there is a debt in favor of plaintiff, secured by the mortgaged property up to the limits of the mortgage in the sum of \$116,067.08 in principal, \$20,109.55 in accrued interest, which continues to accrue until full payment of the debt at the rate of \$37.08 per diem, accrued late charges and any other advance, fee or disbursements made by plaintiff, in

accordance with the mortgage note and deed, plus costs and ten (10) percent of the original principal balance in attorney fees.

6. The parties have freely and voluntarily agreed to the settlement of the Complaint, Counterclaim and for release of the lien(s) that are secured by the mortgaged property, respectfully requesting for the entry of judgment by consent as follows:

- (a) On April 12, 2006, Defendants and BPPR, as predecessor in interest to Condado 3 CFL, LLC, executed certain Loan Agreement for Loan number 101090023364059003 for the principal amount of \$157,000.00. On the same date, Defendant and BPPR executed certain Mortgage Note in connection to this loan for the principal amount of \$157,000.00 (as amended, ratified, supplemented or modified from time to time, the “Promissory Note 9003”).
- (b) Defendants filed a voluntary petition under Chapter 11 of the United States Bankruptcy Code (the “Bankruptcy Code”) in the United States Bankruptcy Court for the District of Puerto Rico, case number 06-05255 (the “Bankruptcy Case”). The Bankruptcy Case was converted to a petition under Chapter 7 of the Bankruptcy Code on January 26, 2014. On September 11, 2009, the Bankruptcy Court entered an order granting Defendants a discharge under section 727 of title 11 of the Bankruptcy Code. Defendants appear voluntarily to execute this Agreement and the same may not be interpreted as a collection effort by Condado 3 CFL, LLC against Defendants.

- (c) For valuable consideration, Defendants delivered to Condado 3 CFL, LLC on this date, a manager's check in the sum of SEVENTY FIVE THOUSAND DOLLARS (\$75,000.00), payable to the order of Condado 3 CFL, LLC, the receipt of which is hereby acknowledged which amount is accepted as payment of all amounts owed by Defendants to Condado 3 CFL, LLC under these proceedings, for the release of the mortgage note held by Condado 3 CFL, LLC which is recorded over the property described hereinabove.
- (d) Condado 3 CFL, LLC will deliver to Defendants, through their counsel, the Mortgage Note described in the Complaint, duly indorsed to the Bearer, for cancellation purposes, within a period not to exceed 60 days from the date hereof. Defendants will be responsible for any fees and/or expenses required for the cancellation in the Registry of Property of the mortgage note.
- (e) In lieu of the above, Defendants agree to waive any and all, raised and unraised, affirmative defenses to the allegations of the Complaint and/or Counterclaim. Furthermore, Defendants herein releases Condado 3, CFL, its predecessors and successors in interest, its members, shareholders, officers, affiliates, servicers, attorneys, agents and employees from any and all liability arising out of the allegations contained in the Complaint, Counterclaim and/or the Loan documents subject to these and/or any other related proceedings for the enforcement of this Loan relationship.

- (f) Condado 3 CFL, LLC agrees to release Defendants and the property subject to these proceedings as to all allegations of the Complaint.
- (g) The terms of this agreement shall bind the parties and their respective successors, privies and assigns.
- (h) The appearing parties warrant that the terms and conditions set forth herein are reasonable under the circumstances, and that they have acted in good faith in connection with the negotiations of this stipulation and in moving the Court for an Order approving the same.
- (i) The appearing parties hereby expressly consent to the entry of judgment dismissing the Complaint and Counterclaim, WITH PREJUDICE.
- (j) The appearing parties expressly agree that the judgment will be deemed final and enforceable as of the date it is entered by the Court.

7. It is expressly agreed to by both Parties that none of them have the right to seek an award of attorneys' fees or of costs against the other party and that each one of the Parties shall bear their own respective attorneys' fees and costs arising from the instant case, this Settlement Agreement, and all related matters.

8. Both Parties represent and warrant to each other that no other person(s) or entity(ies) has had any interest in the claims, demands, obligations, or causes of action referred to or related to the instant case; that both of them, through their legal representatives, have the sole right and exclusive authority to execute this Settlement Agreement; and that the Plaintiff has not sold, assigned, transferred, conveyed to any third party or otherwise disposed of any of its claims, demands, obligations or causes of action referred to in the Complaint and in this Settlement Agreement.

9. The Parties agree to fully cooperate and execute any and all supplementary documents and to take all additional actions that may be necessary or appropriate to give full force and effect to the terms and intent of this Settlement Agreement.

10. The Parties have the power, authority, and legal right to execute, deliver and perform this Settlement Agreement. This Settlement Agreement has been duly executed and delivered by the Parties and constitutes the legal, valid and binding obligation of the Parties, which is enforceable against the Parties, their officers, directors, stockholders, attorneys, agents, servants, representatives, employees, subsidiaries, affiliates, partners, insurers, predecessors, and successors in interest and assigns, and all other persons, firms or corporations with whom any of the former have been, are now, or may hereafter be affiliated, in accordance with its terms.

11. This Settlement Agreement shall be construed and interpreted in accordance with the laws of the Commonwealth of Puerto Rico. The Parties expressly agree that the United States District Court for the District of Puerto Rico, shall retain jurisdiction over the present action to enforce the terms of this Settlement Agreement.

12. This Settlement Agreement contains the entire agreement between the Parties with regard to the matters set forth herein and shall be binding upon and inure to the benefit of the executors, administrators, personal representatives, heirs, successors and assigns of each.

13. This Settlement Agreement shall become effective immediately following execution by each of the Parties, the Court retaining jurisdiction to insure compliance with its terms and with the intention behind the Parties' settlement accord.

**WHEREFORE**, the parties respectfully request that this Honorable Court enter judgment by consent dismissing the Complaint and Counterclaim, with prejudice, as provided herein.

In San Juan, Puerto Rico, this 13th day of March 2020.

**FERNANDEZ CHIQUES LLC**

Attorneys for Plaintiff  
P. O. Box 9749  
San Juan, PR 00908  
Tel. (787) 722-3040  
Fax. (787) 722-3317

S/FRANCISCO FERNÁNDEZ CHIQUE  
Francisco Fernández Chiqués  
USDC NUMBER: 215803  
FFC@FFCLAW.COM

/s/ Peter A. Santiago González

PETER A. SANTIAGO GONZALEZ, ESQ  
USDC-PR 304201  
Attorney for Defendant  
P.O. Box 1414  
Sabana Grande, Puerto Rico 00637  
Phone (787) 396-9029  
Quiebrapr@gmail.com